



# CITY OF LODI

## COUNCIL COMMUNICATION

**AGENDA TITLE:** Adopt resolution authorizing the Northern California Power Agency (NCPA) General Manager to enter into multi-year electric power purchase and sale contracts on behalf of the City of Lodi

**MEETING DATE:** January 30, 2001

**PREPARED BY:** Electric Utility Director

**RECOMMENDED ACTION:** That the City Council authorize the NCPA General Manager to enter into multi-year electric power purchase and sale contracts.

**BACKGROUND INFORMATION:** NCPA is currently authorized to enter into contracts on behalf of the City for up to one-year terms. Recently, electric energy market prices have soared and continue to be subject to increasing volatility requiring a shift to longer term contracts in order to maintain our energy costs at a manageable level.

In consultation with the Electric Utility Department, NCPA routinely makes purchases and sales of energy for periods up to one year. The City's load growth over the past several years has accelerated our need to consider new long term resources. Long term power purchase and sale opportunities in the existing power market generally allow for minimal response time, often less than one hour. The ability to enter into multi-year bilateral energy contracts is vital to the continued financial integrity of Lodi's electric operations.

In order to quickly respond to current market conditions, it is proposed that the NCPA General Manager be authorized to execute power purchase and sale contracts for periods up to ten years in order to better meet the City's resource needs while minimizing financial risks.

**FUNDING:** 16.0 (case by case basis)

Alan N. Vallow  
Electric Utility Director

**PREPARED BY:** Jack Stone, Manager, Business Planning and Marketing

ANV/JS/lst

C: City Attorney

**APPROVED:**

  
H. Dixon Flynn - City Manager

RESOLUTION NO. 2001-14

A RESOLUTION OF THE LODI CITY COUNCIL AUTHORIZING  
THE NORTHERN CALIFORNIA POWER AGENCY (NCPA)  
GENERAL MANAGER TO ENTER INTO MULTI-YEAR  
ENERGY PURCHASE AND SALE CONTRACTS  
ON BEHALF OF THE CITY OF LODI

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WHEREAS, NCPA is currently authorized to enter into contracts on behalf of the City for up to one-year terms; and

WHEREAS, recently energy market prices have soared and continue to be subject to increasing volatility requiring a shift to longer term contracts in order to maintain our energy costs at a manageable level; and

WHEREAS, the City's growth over the past several years has accelerated our need to consider new long-term resources; and

WHEREAS, long-term energy purchase and sale opportunities in the existing power market generally allow for minimal response time, often less than one hour, and the ability to enter into multi-year bilateral energy contracts is vital to the continued financial integrity of Lodi's electric operations; and

WHEREAS, in order to quickly respond to current market conditions, it is proposed that the NCPA General Manager be authorized to execute energy purchase and sale contracts for periods up to ten years in order to better meet the City's resource needs while minimizing financial risks.

NOW, THEREFORE, BE IT RESOLVED, that the Lodi City Council hereby authorizes the NCPA General Manager to enter into multi-year energy purchase and sale contracts on behalf of the City of Lodi.

Dated: January 30, 2001

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I hereby certify that Resolution No. 2001-14 was passed and adopted by the Lodi City Council in a special meeting held January 30, 2001 by the following vote:

AYES: COUNCIL MEMBERS – Hitchcock, Howard, Land, Pennino and  
Mayor Nakanishi

NOES: COUNCIL MEMBERS – None

ABSENT: COUNCIL MEMBERS – None

ABSTAIN: COUNCIL MEMBERS – None

  
SUSAN J. BLACKSTON  
City Clerk

## Mayor's & Council Member's Weekly Calendar

### WEEK OF JANUARY 30, 2001

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Tuesday, January 30, 2001

- 7:00 a.m. Special Meeting (No Shirtsleeve topic)
1. Adopt resolution authorizing the Northern California Power Agency (NCPA) General Manager to enter into multi-year electric power purchase and sale contracts on behalf of the City of Lodi
  2. Closed Session
    - a. Review of Council Appointees -- City Manager, City Attorney, and City Clerk -- to include compensation evaluation (Gov. Code 54957)
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Wednesday, January 31, 2001

Reminder Campaign statements due by 5:00 p.m.

- 7:00 p.m. Town Hall meeting
1. Electric Utility issues
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Thursday, February 1, 2001

Friday, February 2, 2001

Reminder Nakanishi. APPA Rally, Washington D.C.

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Saturday, February 3, 2001

- Reminder Nakanishi. APPA Rally, Washington D.C.
- 2:00 p.m. Eagle Scout Court of Honor for Jeffrey Dean Dos Reis, Woodbridge Elks Lodge, Woodbridge.
- 5:00 p.m. Sesquicentennial Gala and Concert, University of the Pacific. Reception at 5:00 p.m., banquet at 6:00 p.m., and concert at 8:00 p.m.
- 6:00 p.m. Lodi Firefighters Dinner Dance, Lodi Moose Lodge. Dinner at 7:00 p.m.
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Sunday, February 4, 2001

Reminder Nakanishi. APPA Rally, Washington D.C.

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Monday, February 5, 2001

Reminder Nakanishi. APPA Rally, Washington D.C.

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